

TERMS OF OPTIONS TO PURCHASE AGREEMENT

Deposit: The Option Deposit must be either cashier's check, certified check, or money order made payable to the Department of Transportation. The bidder agrees to deposit the difference between the initial bid deposit and an amount representing 10% of the actual bid within five (5) working days of the sale.

Option Period: The Option Deposit will be the consideration for the 60-day Option Period. The Option Period shall commence the first day following the date of the auction. The expiration date of the 60-day option period is August 19, 2007. There may be situations wherein the Option holder is unable to complete the terms of this Option within the time allowed for reasons beyond his control. Under these circumstances, the State, at its discretion, may elect to extend the Option Period. A charge of 1% of the bid price per month will normally be made for such extensions. This charge shall not be applied toward the purchase price.

Forfeiture of Deposit: The Option Deposit and any additional Option Deposit shall be Non-refundable in the event that the successful bidder fails to exercise the Option within the Option period or fails to comply with any and all terms of the Option as herein provided.

Option Agreement: The California Department of Transportation will notify the successful high bidder, in writing, and inform him that his bid will be presented to the California Transportation Commission for approval. Upon the mailing of the written notification, this Bid Form shall become an Option Agreement and the successful bidder shall be bound to the terms specified in this Sales Brochure and Bid Form.

Limiting Conditions:

- 1) The sale under this Option is subject to the approval of the California Transportation Commission. Any assignments under this contract must be made prior thereto. If the sale is not approved, the Option deposit money will be refunded without interest. The purchaser may take possession when the Director's Deed is recorded.
- 2) When the California Transportation Commission approves the sale, and the successful bidder elects to exercise the Option Deposit will be credited toward the bid purchase price.
- 3) The State reserves the right to reject any all bids and to cancel the sale in part or in its entirety at anytime prior to recordation of the Director's Deed. In the event of cancellation of sale and/or rejection of any bides, the respective deposits of money shall be refunded without interest.
- 4) The right, title and interest in the property to be sold shall not exceed that vested in the State of California, and this sale is subject to all title exceptions reservations whether or not of record. The successful purchaser may obtain a policy of title insurance at his own expense.

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- 5) The successful bidder shall pay all recording fees, points, repairs and costs, documentary stamp taxes, title insurance, or other real estate transaction taxes or fees by whatever name known, including escrow fees or broker's commission. If any, any personal property sales taxes, where applicable.
- 6) Should the successful purchaser desire a survey of the property, this may be accomplished by an independent survey at the purchaser's expense. No warranty is made by the California Department of Transportation relative to the ground location of property lines the than monumented highway right of way lines.
- 7) The successful bidder shall be bound to the terms specified in both the "Option to Purchase Agreement" and this Brochure.
- 8) The practice of double bidding wherein a person acting either through himself, employee, or employees or through an agent or agents, submits, more than one bid to this parcel, is prohibited; and, in those cases where such double bidding comes to the knowledge of the Department of Transportation, one or all bids will be disqualified.

An agreement between two or more prospective bidders to set their bid price, or nor to submit bids against each other, with the purpose of purchasing this parcel or other parcels at a more advantageous price or terms, as prohibited. Where such agreements come to the knowledge of the Department of Transportation, any bids made pursuant to such an agreement will be disqualified.